

IRON

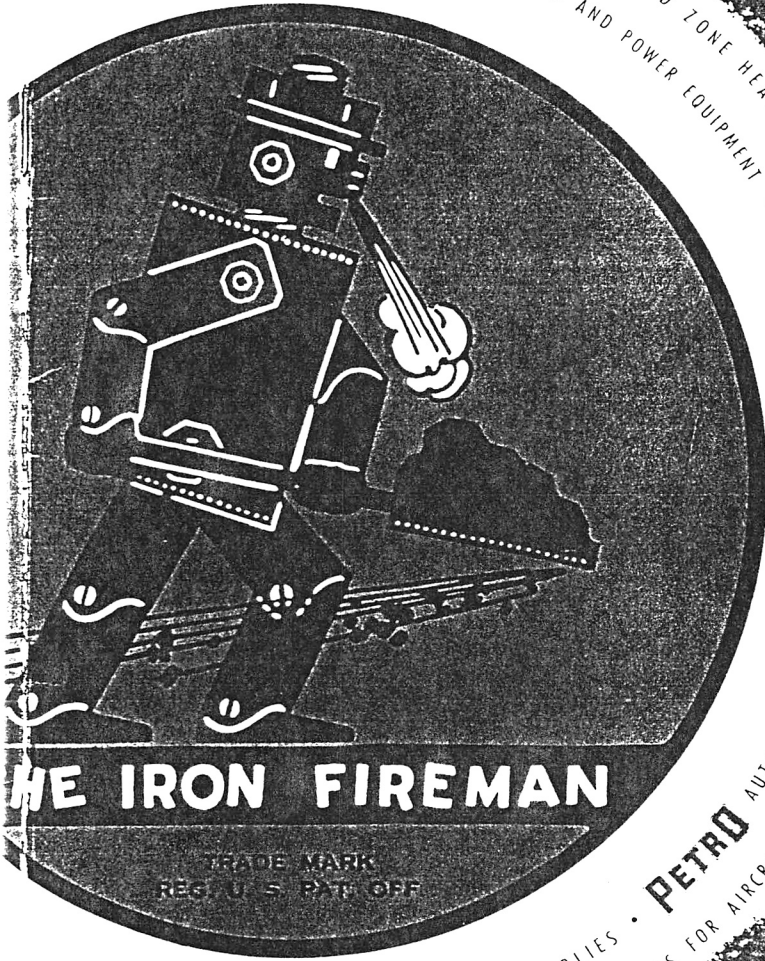
SelectTemp

FIREMAN

AUTOMATIC HEATING, MODULATED ZONE HEATING SYSTEMS, COOLING AND POWER EQUIPMENT • INTRINSICALLY SAFE HEATING CONTROLS

THIRTIETH

ANNUAL REPORT



THE IRON FIREMAN

TRADE MARK
REG. U. S. PAT. OFF.

AIRCRAFT PARTS AND ASSEMBLIES • PETRO

ELECTRONIC INSTRUMENTS FOR AIRCRAFT AND GUIDED MISSILES, AND HEATING CONTROLS
FOR THE YEAR

1961

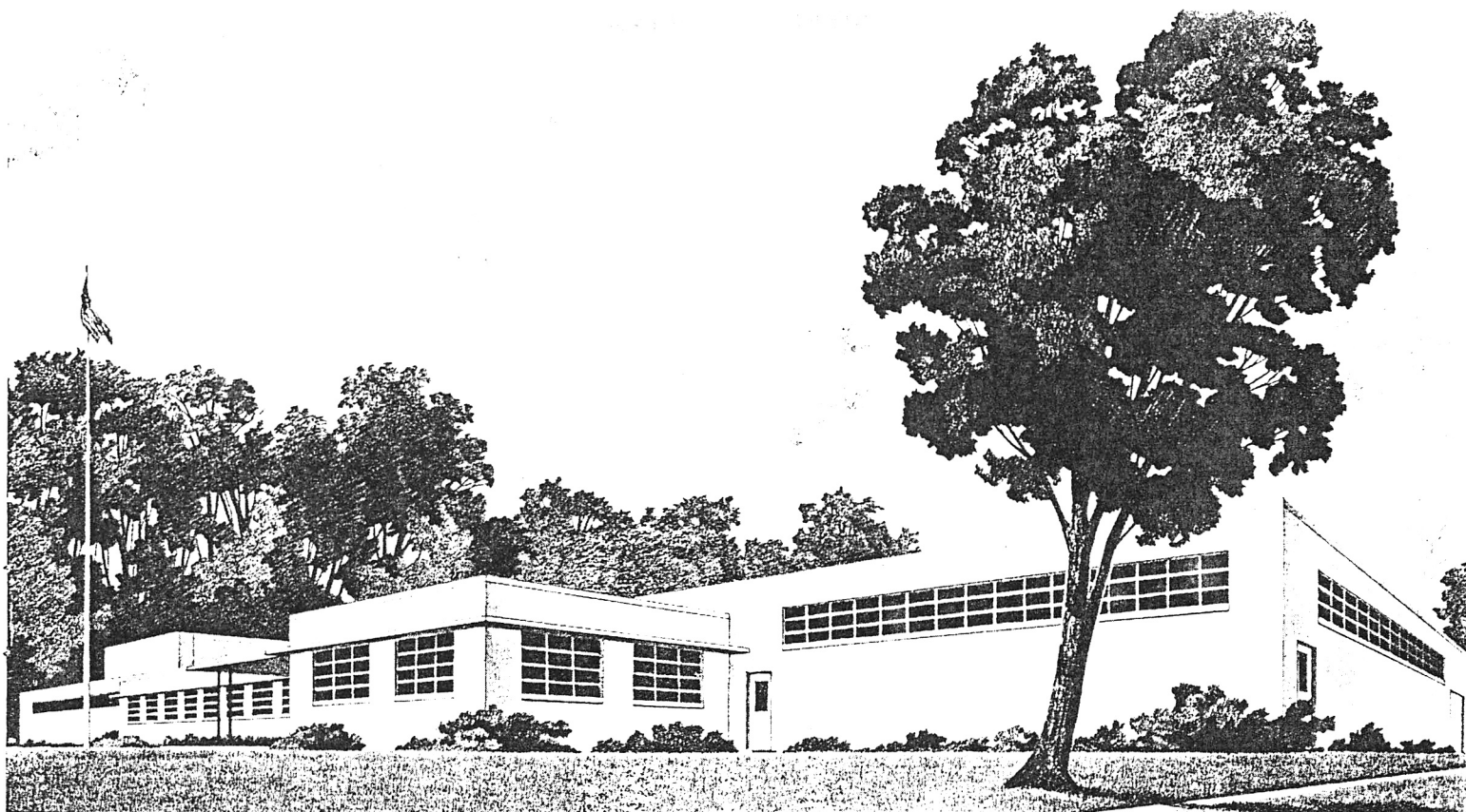
The new Iron Fireman plant at Ligonier, Indiana, will provide 132,000 square feet of new manufacturing warehouse space. Production of SelecTemp heating units and fractional horsepower motors will begin here in June.

REPORT



SUMMARY OF OPERATIONS 1955

	1955	1954
Net Sales	\$25,641,509	\$26,083,733
Income Before Taxes	667,178	1,438,272
Income After Taxes	364,178	722,272
Taxes on Income	303,000	716,000
Cash Dividends Declared and Paid	287,921	215,940
Earnings Retained in the Business as of December 31	5,843,279	5,767,022
Net Working Capital	7,037,450	7,347,153
Long Term Debt	1,800,000	2,000,000
Earnings Per Share	1.01	2.01
Book Value Per Share	22.89	22.68
Investments in Plants and Equipment	2,813,923	2,631,882



TO STOCKHOLDERS

By WAYNE F. STRONG, President

COVERING OPERATIONS OF THE IRON FIREMAN MANUFACTURING COMPANY FOR THE YEAR 1955

IN THIS, my first report to the stockholders as chief executive officer of your company, we vary the usual form of the annual report to review with you as extensively as possible in this letter all of the important transactions of the past year which have affected sales and profits, product performance, and employee matters, as well as those items which may have a major bearing on future operations of the company.

As will be noted in the financial "highlights" on the opposite page, 1955 operations of the Iron Fireman Manufacturing Company resulted in a net profit of \$364,178, equal to \$1.01 per share on the common stock outstanding. This compares to 1954 net profits of \$722,272, equal to \$2.01 per share.

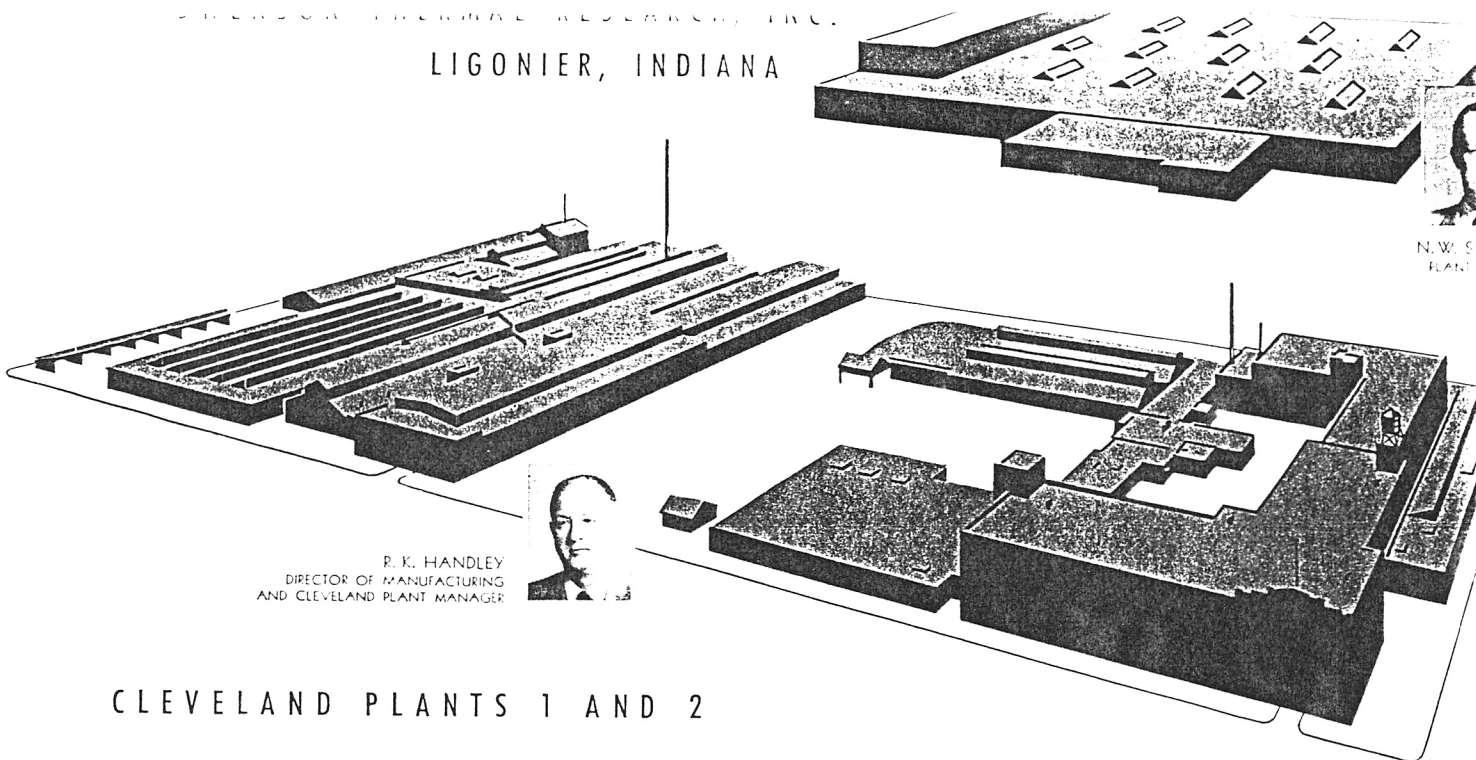
Net worth of the company increased to \$8,238,479 as of December 31, 1955, giving the stock a book value of \$22.89 a share.

Total 1955 sales of civilian and defense products were \$25,641,509. For a peacetime year, this was exceeded only by 1954 sales of \$26,083,733.

Both sales volume and net profits fell below the objective we had established at the beginning of the year, but the final results may be considered reasonably satisfactory when related to certain basic improvements in plant, product and organization.

It would be well to review briefly for the benefit of new stockholders, the organizational makeup and activities of our company. For the past several years we have been working toward a program of product diversification, balanced between residential and commercial heating equipment, power products and defense-related equipment. Our heating and power equipment division centers at the Cleveland headquarters plant from where it directs sales and service activities for eight retail branches and

LIGONIER, INDIANA



R. K. HANDLEY
DIRECTOR OF MANUFACTURING
AND CLEVELAND PLANT MANAGER

CLEVELAND PLANTS 1 AND 2

several thousand dealers and distributors in the United States and Canada. In addition, we maintain manufacturing distributors and dealers in many foreign countries.

Through these branches, distributors, and dealers, we market two principal brand-name products—"Petro" and "Iron Fireman"—each operating as an independent sales organization. Each has its own distinctive product line, ranging in capacity from residential size burners, furnaces and boilers, up through large industrial firing units for power plant applications. Petro products include a full line of equipment for both oil and gas, while the Iron Fireman product line covers, in addition to oil and gas, a complete line of stokers plus the new SelecTemp heating system.

Our defense products are designed, engineered, and manufactured principally in our two West Coast plants located in Portland, Oregon. Plant I has been devoted almost exclusively to the machining and assembly of complicated aircraft parts for the Boeing Airplane Company. The Electronics Division in Portland, in order to supplement the line of heating control instruments, several years ago en-

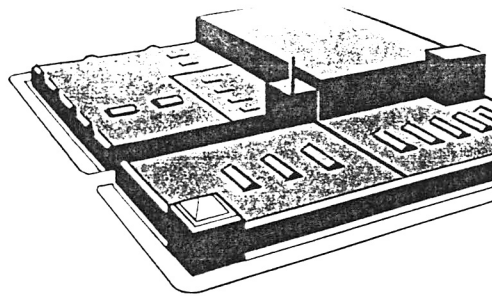
tered the aircraft field through the design and production of a vertical gyroscope, precision instruments, and electrical devices.

In 1955 both Portland plants went through a period of redesigning and retooling, brought about by changes in armed forces requirements. This caused serious loss of production time.

A stop order from Hughes Aircraft Company suspended production of the vertical gyro for four months. During this period our engineers redesigned this highly specialized and complicated instrument to meet new and more exacting military requirements. The program is now reinstated with prospects for good volume and profits for 1956.

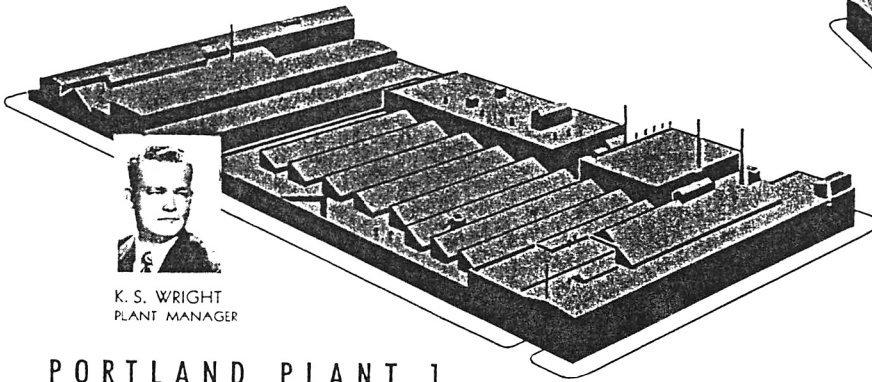
The shipment of machined aircraft parts was also adversely affected by model changes, requiring a slow-up of production while new tooling was completed. Our organization has successfully completed this change-over and is resuming normal production.

Much was accomplished in 1955 through the addition of new and modern machine tools and equipment in these plants to enable us to successfully meet the changing needs of the industry, and



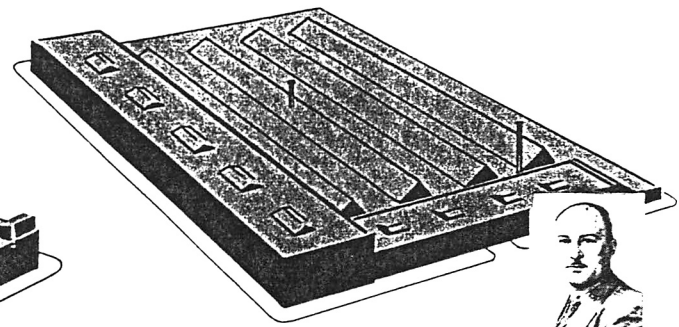
O. D. BERRY
PLANT MANAGER

ELECTRONICS DIVISION PORTLAND



K. S. WRIGHT
PLANT MANAGER

PORTLAND PLANT 1



WILLIAM BANNISTER
PLANT MANAGER

TORONTO PLANT 1

to maintain our position as a preferred supplier of high quality aircraft parts and equipment.

Heating Equipment Operations

We were encouraged this past year by the gains made in the sale of both Petro and Iron Fireman heating equipment, particularly in the commercial-industrial sizes. Petro and Iron Fireman sales, excluding the SelecTemp heating system, were 5% higher in 1955 than in the previous year. This increase can be attributed to an aggressive sales program throughout the year, starting with the sales efforts of several additional district sales managers, new products, an extensive sales promotion and advertising program, and the appointment of a substantial number of new dealers and distributors.

The New SelecTemp Heating System

No matter how thoroughly a new product is tested in actual field installations, the crucial test is public use under widely diverse conditions. There is no way to avoid this test. During the 1954 heating season, thousands of these units were installed, and

early in 1955, mechanical and engineering troubles showed up that had to be corrected. The only way to protect our customers through this difficult period is by a liberal service and replacement policy. This policy cut deeply into our profits for 1955, but it has been a solid investment. Our customer relations are excellent. Every SelecTemp heating unit that caused difficulty of any kind has been replaced without question, and every such unit has been returned to the factory for testing and rebuilding.

A changeover in manufacturing methods and product design was made during the spring of 1955. Systems manufactured since the changeover have been giving excellent performance. To supplement these product and engineering changes, we have continued an intensive field training program covering proper methods of application, installation and service of this equipment. At this time we have ample evidence that our sales organization is selling SelecTemp with renewed enthusiasm. Your management is confident of the future sales potential, based on experience this past year with SelecTemp heating systems installed in many types of buildings, including motels, schools, churches, office build-

IRON FIREMAN® Selectemp HEATING

The new Selectemp heating system, introduced in 1933, is finding increasing use in business and institutional buildings, as well as in homes. The unique feature of "a thermostat in every room" makes Selectemp particularly attractive for such buildings as hotels, motor courts, apartment buildings, offices and hospitals. A motel owner writes us, "We think it an accomplishment to heat 16 units and our own living quarters and still satisfy every individual." An apartment house owner writes, "It's the first time in our experience that tenants do not complain about over and under heating." But users are finding many additional advantages. For example, "We have commented repeatedly on how clean our rooms are, with a filter in each heating unit. We have no dark smudge on the walls, which is so commonly seen in other types of heating."

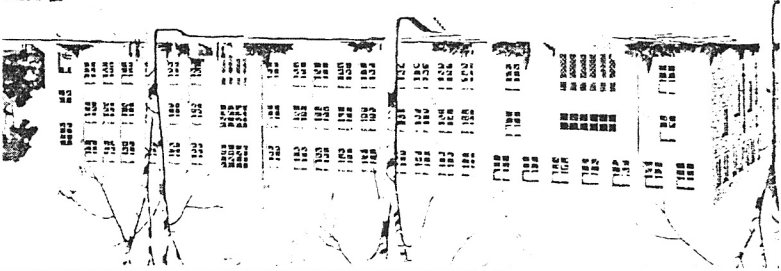
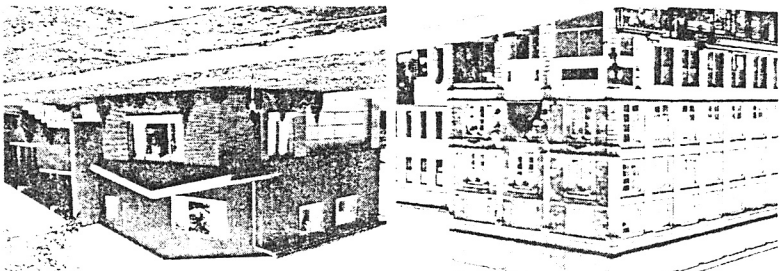
With the new plant heating completion in Ligonier, Indiana, Iron Fireman will be tooled for large scale high precision production of Selectemp units.



ings, hospitals, where zoned control or individual room temperature control is an important factor. The successful performance of Selectemp heating in these varied applications opens a wide, new market for this product. We are confident that the pioneering period is behind us.

Last year's operations also carried the full cost of design and engineering for a second line of simplified and low cost oil-fired and gas-fired furnaces. These new furnaces open a market in new home construction and will enable our dealers to secure additional orders, at the same time serving as a leader model for increased sale of our deluxe furnace equipment.

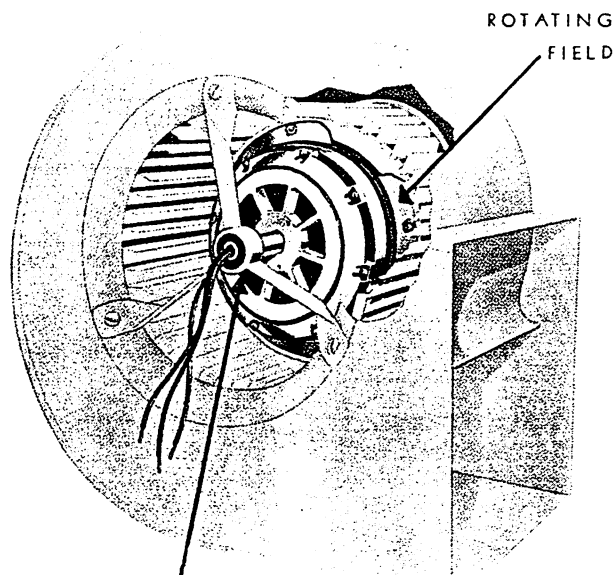
In 1935 we established ourselves more firmly in the industrial heating and power equipment field with both the Petro and Iron Fireman lines. Our forced draft package units, sold in combination with Kewanee, Titusville, and other leading makes of boilers, are giving excellent results and their acceptance by the consulting engineers and heating trade is growing rapidly. To broaden our opportunities for sales in this field, we have introduced a new line of commercial burners to fire light oil or gas, with provision for immediate switchover from one fuel to the other. The demand for these burners has been excellent from those areas where natural gas is being made available for the first time, and also in cases where a customer requires a standby fuel for emergency use. The development of a



NEW IRON FIREMAN INTEGRAL DRIVE BLOWER MOTOR

At first glance there seems nothing remarkable about this new Electronics Division product, yet few developments of recent years have attracted more attention from heating specialists. It is an entirely new concept in powered circulating fans, which is one of the key components in air conditioning and warm air heating systems. Its principal advantages are: 1. Much higher efficiency (which means lower power cost). 2. Extremely compact design (for today's space-saving units). 3. Long life with no servicing. 4. Extremely quiet operation and freedom from vibration. 5. Low production cost.

Its unique feature is the "inside out" motor mounted within the fan. The armature and shaft are *stationary*, while the motor field and fan revolve around it—the exact reverse of the conventional motor. This eliminates, (1) the blower bearings and cumbersome belt drive mechanism, and (2) outside motor mount for either direct or belt drive.



STATIONARY SHAFT AND
ARMATURE

low-pressure oil burner for firing No. 5 heavy fuel oil was completed. This burner has been approved by the Underwriter's Laboratory. The full cost of developing this burner was absorbed in our 1955 operations, and we confidently expect that it will add to our sales volume in many areas where No. 5 oil is the preferred fuel, due to its low cost and high B.t.u. value.

Probably the most important aspect of our 1956 plans, and one requiring the closest attention, is our program of marketing and distribution. Near the end of the year, we completed plans for reorganizing distribution channels to get our products into the hands of the ultimate consumer at the lowest cost possible, while permitting a fair margin of profit for the company and for the dealer who installs the equipment. This required reorganization in both our field sales and engineering staffs, and made it possible to cut substantially our budgeted operating costs for 1956.

As a further step in this direction, we are conducting sales educational and training schools for our factory sales and engineering representatives as well as for key personnel in our dealer and distributor outlets. A Director of Sales Training has been appointed to coordinate and conduct this program on a national scale.

Customer and Employee Relations

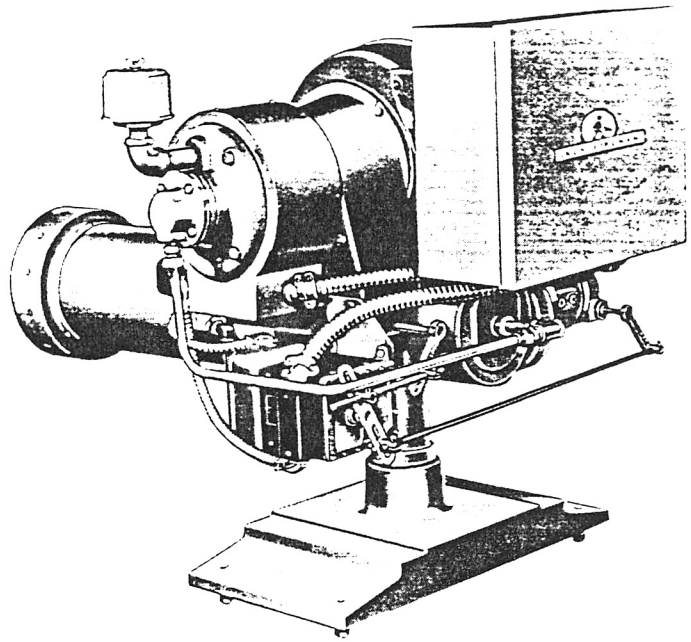
In these days of rapidly changing social and economic values, it seems worth while to account

for the activities of your management, not merely from the standpoint of financial reports, but also along the lines of its broad general responsibilities which cannot be presented statistically, and yet are of prime importance. This refers to our responsibilities to employees and stockholders, as well as to customers in providing product values and service. The company has made notable progress this past year in improving the quality and the performance of our products. This we believe is the only sound basis for an expanding sales program. The new, wider market made possible by a good product, and an earned reputation for fair dealing and good service attract good dealers, open doors to salesmen, and give owners sound values and pride of ownership. In the final analysis, a full measure of value will be returned to the company.

This same attitude is carried forward in our dealings with our employees. We are pleased to report continued satisfactory relations with employees in each of our plants: we are enjoying full support of our men and women. At each of our plants we have arranged production schedules so as to give the majority of our employees year-round employment. We know that they appreciate the value of this policy and the measure of security which it affords each individual. As a consequence, we have negotiated two-year contracts with the labor unions representing employees at Cleveland and Portland Plant I, and will be required during

NEW COMMERCIAL BURNERS FOR HEAVY INDUSTRIAL OILS

Here at last is a *reliable* gun type burner that will fire the low cost industrial oils or any lighter grade. Even the most viscous oils are so thoroughly atomized that the air-oil mixture produced in the combustion chamber is a fog rather than a spray. The ability to fire either heavy or light oils, and the ability to modulate over a wide range between high-fire and low-fire, are the two outstanding features that make this burner unique in its field. Both of these qualities are of enormous value in commercial heating. Capacities are from 3 to 25 gallons per hour.



the year 1956 to negotiate a new contract at only one plant.

Our group life insurance plan, as well as hospital-medical and sickness and accident insurance, was extended on a cooperative basis to additional groups of employees during the year. In addition, a contributory retirement plan was made available to salaried employees.

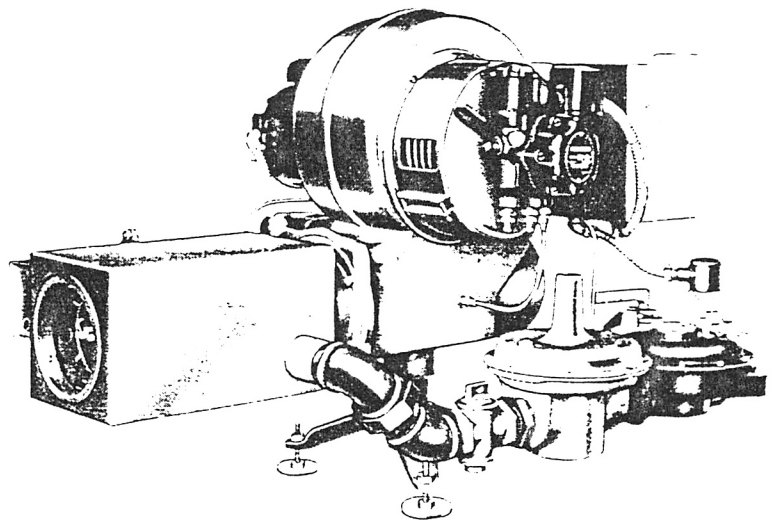
As a part of our employee development program, we established a Plant Educational Services Department and have instituted supervisory and employee training activities at each plant, which will be amplified as the program progresses.

Modernization Program

Our cost reduction program at each manufacturing plant is being supported by substantial investments in new and modern machine tools. Production methods and processes are being reviewed constantly to find a better and cheaper way to do the work. This program produced good results in 1955, and the Board of Directors has approved a further substantial appropriation in the coming year for capital investments in machine tools and equipment. We are firmly convinced that this is necessary to take advantage of more efficient methods and processes in cost reduction, which will

COMMERCIAL GAS - OIL BURNER

This medium sized dual-fuel burner is an Iron Fireman development that was put on the market last year. It is a complete combustion system in which both oil and gas firing features are combined in a single package. It is particularly useful in areas where gas utilities require oil standby equipment. Changing from one fuel to another is accomplished by manually throwing a fuel selector switch, or automatically by an outdoor temperature thermostat. High combustion efficiencies are obtained with either oil or gas.



place us in a better position to compete with leaders in the heating industry and in the aircraft and electrical instrument fields.

In addition to machines and equipment, the Board of Directors authorized a new manufacturing plant to be built at Ligonier, Indiana, on a long-term lease basis. This new building, scheduled for completion in June, 1956, will provide 132,000 square feet of manufacturing and warehousing space. We have obtained sufficient land for the present building and for future expansion needs. The new plant will be used for the manufacture of SelecTemp heaters, fractional horsepower motors, and at some later date, for additional heating products.

Dividends

Stockholders in 1955 were paid four quarterly dividends totalling 60 cents a share, and an extra dividend of 20 cents a share. A detailed dividend statement covering the past 25 years is recorded on page 10 of this report.

On February 9, 1956, the Board of Directors declared a quarterly dividend of 15 cents a share, payable on March 5, 1956, to holders of record February 20, 1956. In accordance with established practice, this dividend will be paid out of 1955 earnings.

Financial Statements

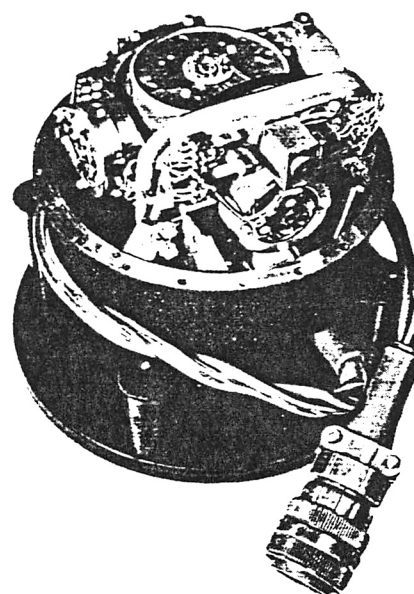
The financial statements of the company, together with the certificate of our independent public accountants, are included in this report. These data, with the accompanying charts and remarks, outline the results of our operations for 1955.

Summary

A great deal of sound and basic progress was made in 1955 which will affect the long-term future, with only minor sacrifice of current earnings. These include improved products, diversification of types of products and activities, improved acceptance by consumers and the trade, a strong loyal organization, and a well-rounded advertising and merchandising program. The management believes that 1956 will show continued forward progress and improvement.

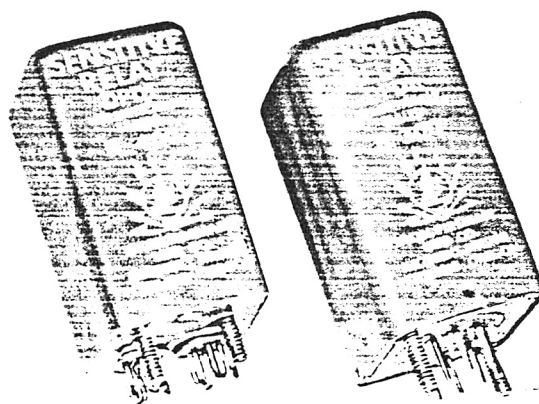
Hayne D. Strong

President



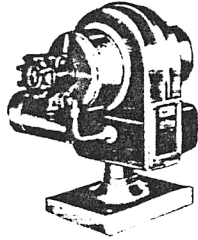
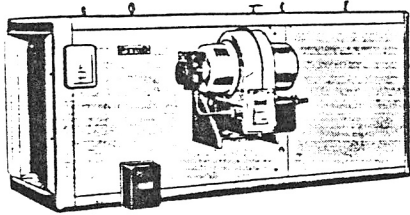
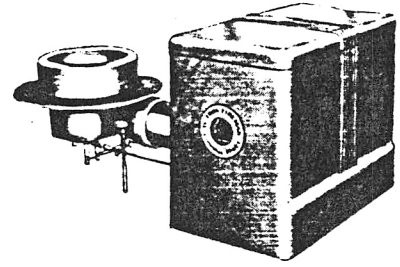
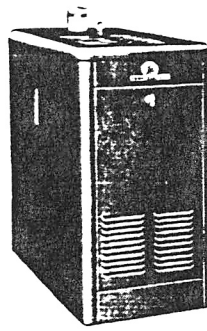
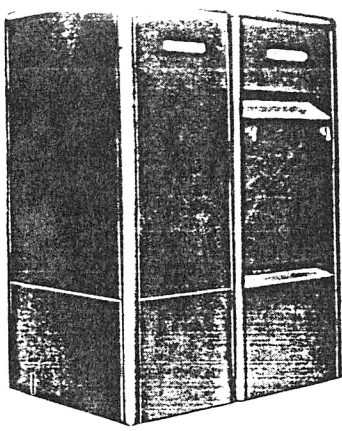
IRON FIREMAN VERTICAL GYRO

The latest model of the Iron Fireman gyro represents the most delicate manufacturing job of all Iron Fireman products. Not only are many of its parts extremely minute, but the allowable tolerance of working parts is so fine that an invisible grain of dust would disrupt the instrument's operation. The vertical gyro is used in military aircraft. Its function is to stabilize the flight of the plane in order to provide an accurate firing platform for its automatic weapons. It is engineered and produced by the Electronics Division.



IRON FIREMAN SENSITIVE RELAYS

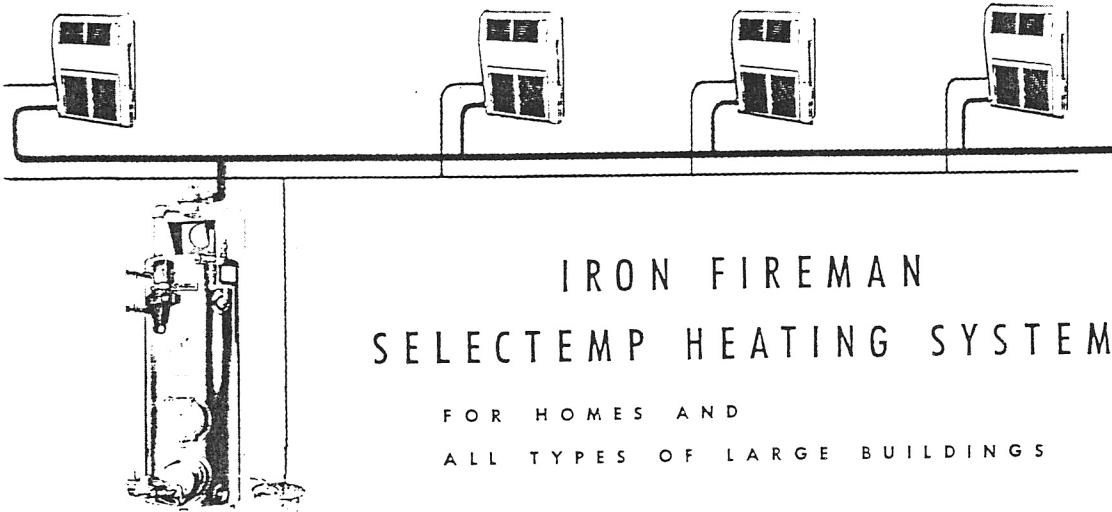
These relays, which go far beyond any conventional type, were developed by Iron Fireman instrument specialists for use in many intricate electronic instruments. For their special uses they must be hermetically sealed in inert gas to insure dependable operation under all conditions of temperature, moisture, dust, fungus, salt spray, etc. Their particular function is to provide a solid electrical contact when activated by an extremely minute electrical current. For these purposes Iron Fireman has developed designs that are new in their field, as well as new methods of quantity production of precision micro parts.



IRON FIREMAN

RESIDENTIAL HEATING AND
COOLING EQUIPMENT

OIL • GAS • COAL

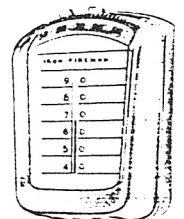
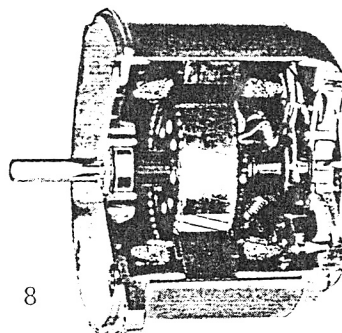
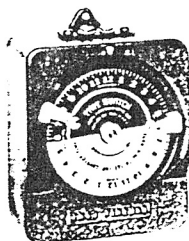
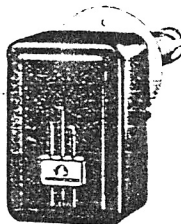
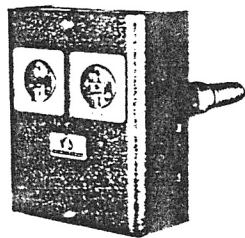


IRON FIREMAN SELECTEMP HEATING SYSTEM

FOR HOMES AND
ALL TYPES OF LARGE BUILDINGS

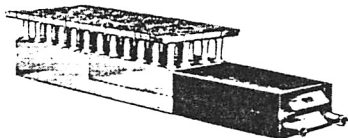
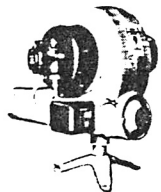
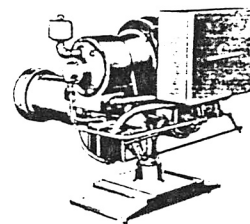
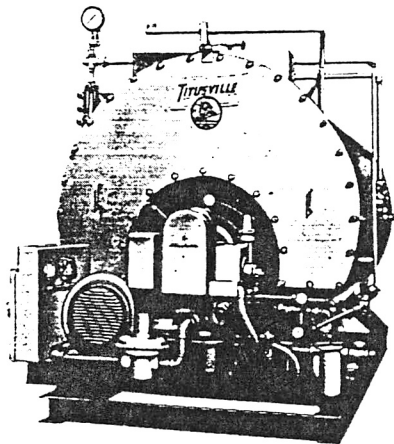
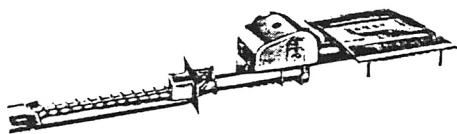
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IRON FIREMAN

HEATING CONTROL INSTRUMENTS
AND ELECTRIC MOTORS

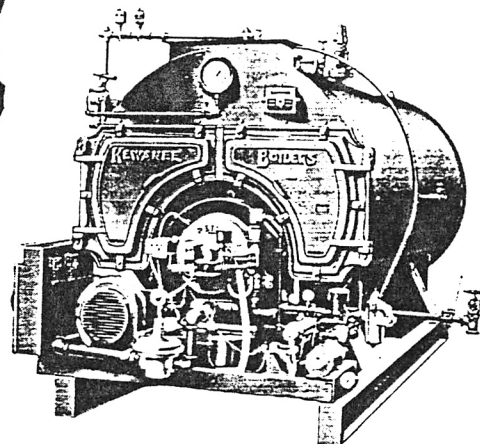
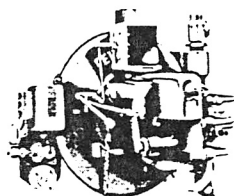


AND PETRO

COMMERCIAL - INDUSTRIAL
FIRING EQUIPMENT

for Heating • Processing • Power

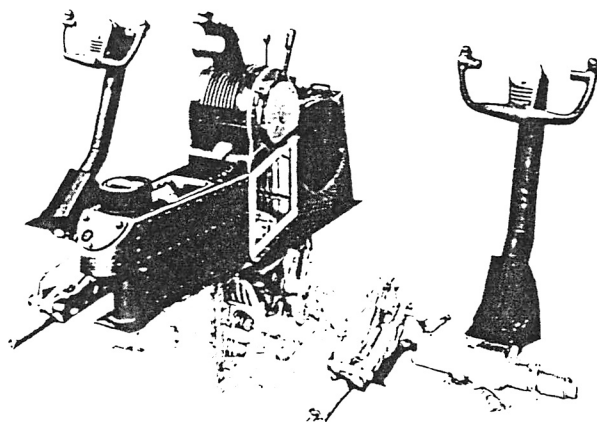
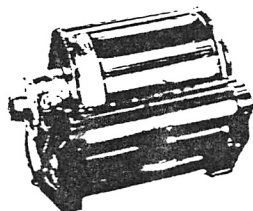
OIL • GAS • COAL



IRON
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FACTS

IRON FIREMAN
AIRCRAFT PARTS
AND ASSEMBLIES

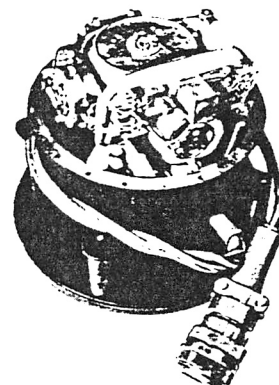
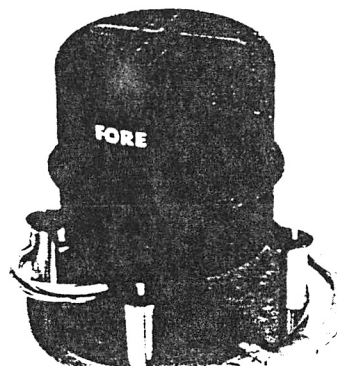
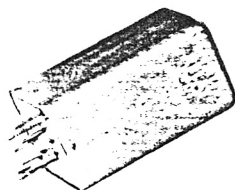
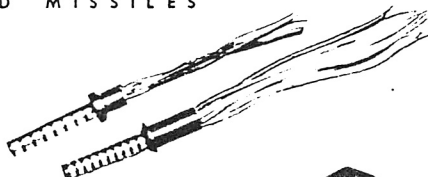
PORTLAND PLANT NO. 1



FOR
BUSINESS
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ELECTRONICS DIVISION

ELECTRONIC INSTRUMENTS FOR AIRCRAFT
AND GUIDED MISSILES



RECORD OF OPERATIONS OF THE LAST TWENTY YEARS

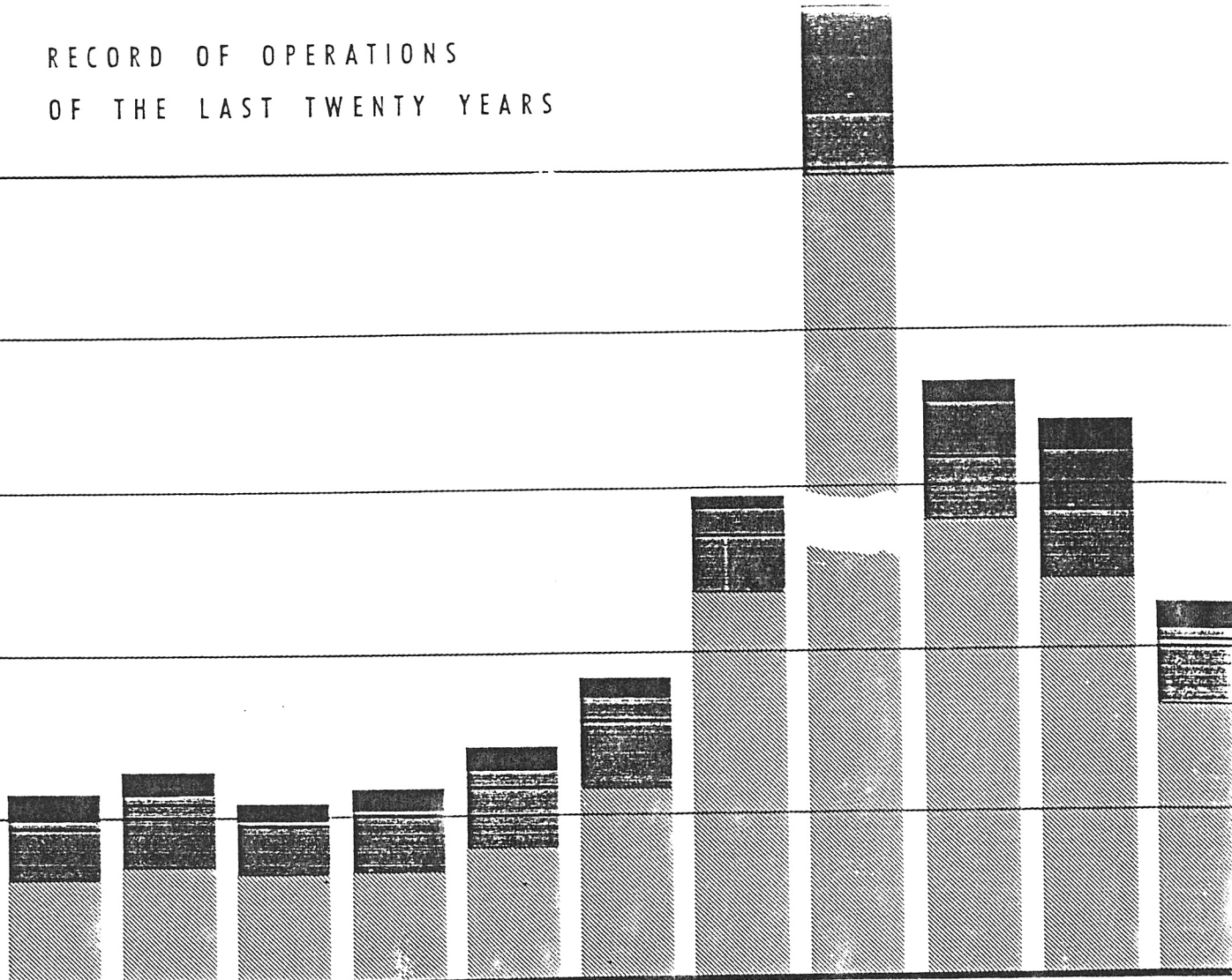
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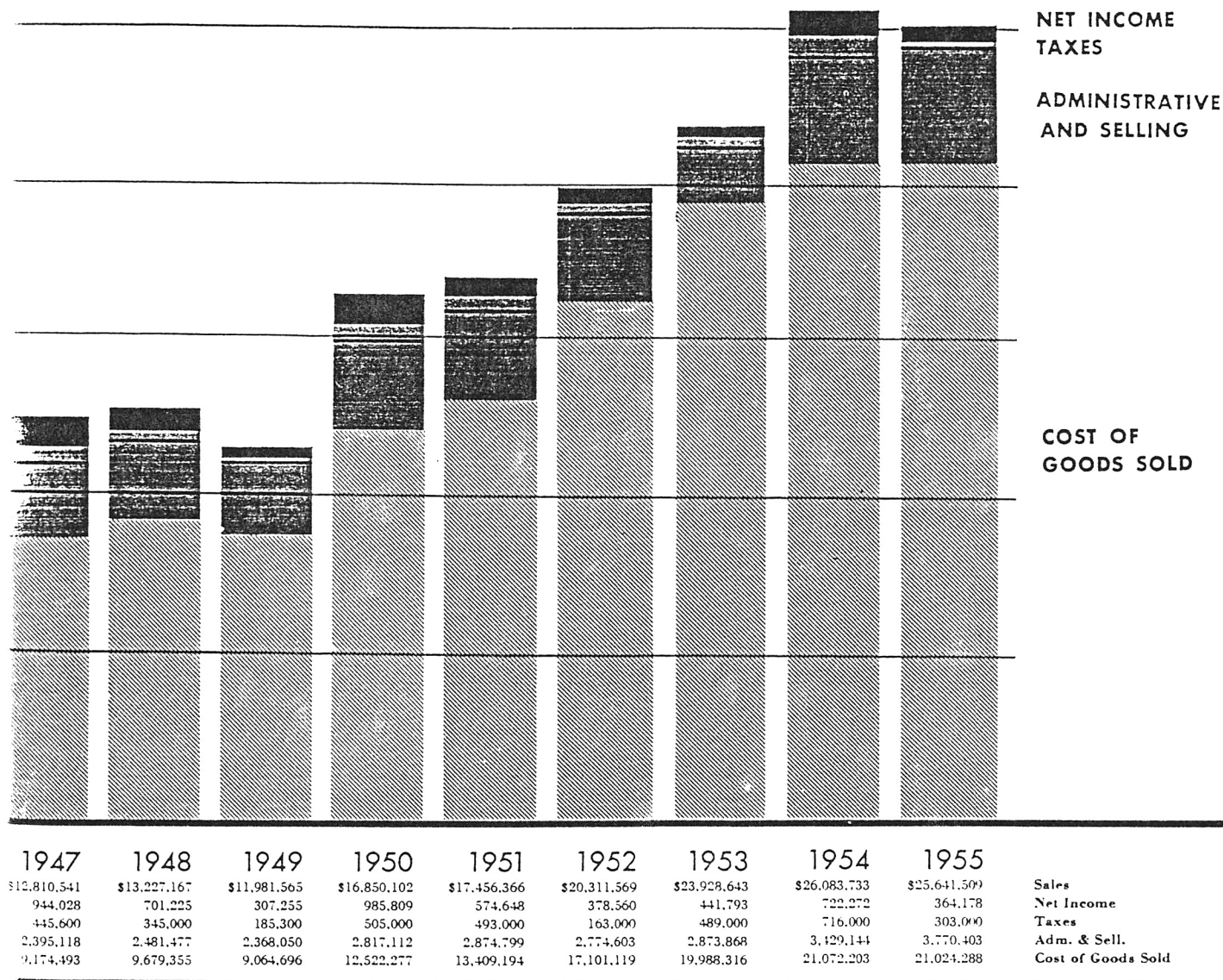
MILLION



1936	1937	1938	1939	1940	1941	1942	1943	1944	1945	1946
\$5,811,331	\$6,538,993	\$5,664,425	\$5,952,712	\$7,232,803	\$9,427,392	\$15,092,169	\$37,028,460	\$18,659,321	\$17,262,182	\$11,515,800
774,787	711,460	606,901	611,762	721,308	652,461	491,646	900,849	668,838	776,876	769,100
193,265	191,418	162,065	146,329	427,688	663,773	771,061	3,189,685	1,720,367	2,003,370	362,000
1,645,740	1,933,076	1,591,163	1,715,561	1,901,716	2,134,777	1,766,307	1,993,281	1,977,405	2,135,239	2,051,200
3,232,772	3,651,674	3,328,780	3,503,483	4,220,268	6,010,209	12,137,739	30,682,576	14,496,057	13,476,465	8,747,500

DIVIDENDS PAID

YEAR	DIVIDEND	YEAR	DIVIDEND	YEAR	DIVIDEND	YEAR	DIVIDEND
1929.....	\$1.00	1935.....	\$1.00	1942.....	\$1.20	1949.....	\$1.20
1930.....	1.50	1936.....	2.00	1943.....	1.20	1950.....	1.20
1931.....	1.35	1937.....	1.50	1944.....	1.20	1951.....	1.15
1932.....	.30	1938.....	1.20	1945.....	1.20	1952.....	.70
1933.....		1939.....	1.20	1946.....	1.20	1953.....	.60
1934.....	.80*	1940.....	1.45	1947.....	1.20	1954.....	.60
*Plus stock dividend		1941.....	1.20	1948.....	1.20	1955.....	.80



EARNINGS RECORD

The steady growth of the Iron Fireman Manufacturing Company since its beginning has been accompanied by an unbroken record of corporate earnings. Since 1929, dividends have been paid every year except 1933, and in 1934 a 50% stock dividend was paid in addition to cash dividends. Since 1933 the company has paid 88 consecutive quarterly dividends and four special dividends.

Consolidated

ASSETS

	December 31	
	1955	1954
CURRENT ASSETS:		
Cash.....	\$ 1,092,548	\$ 1,410,367
Accounts receivable—		
Trade.....	2,625,045	2,159,752
Contracts receivable on equipment installations.....	400,883	291,428
Allowance for doubtful accounts.....	(71,546)	(69,927)
Inventories of raw materials, work in process and finished products, at average cost or market, whichever lower.....	7,203,847	6,194,536
Prepaid expenses.....	319,025	272,538
	<u>11,569,802</u>	<u>10,258,694</u>
PROPERTY, PLANT AND EQUIPMENT, at cost:		
Plant, machinery and equipment.....	4,543,615	4,050,309
Less—Accumulated depreciation.....	<u>1,967,598</u>	<u>1,658,662</u>
	2,576,017	2,391,647
Plant sites.....	<u>237,906</u>	<u>240,235</u>
	<u>2,813,923</u>	<u>2,631,882</u>
PATENTS, TRADEMARKS AND COPYRIGHTS.....	<u>1</u>	<u>1</u>
	<u>\$14,383,726</u>	<u>\$12,890,577</u>

IRON FIREMAN MANUFACTURING COMPANY
AND SUBSIDIARY COMPANIES

LIABILITIES

	December 31	
	1955	1954
CURRENT LIABILITIES:		
Notes payable to banks.....	\$2,000,000	\$ 103,400
Note instalments payable within one year.....	200,000	200,000
Accounts payable—trade.....	1,122,946	874,126
Accrued payrolls and expenses.....	562,596	767,067
U. S. and Canadian taxes on income.....	455,106	785,926
Other taxes.....	191,704	181,022
	<u>4,532,352</u>	<u>2,911,541</u>
NOTES PAYABLE—(Note 2)		
Payable \$100,000 semiannually to 1963, less instalments due in one year..	<u>1,600,000</u>	<u>1,800,000</u>
DEFERRED FINANCE INCOME.....	<u>12,895</u>	<u>16,814</u>
STOCKHOLDERS' EQUITY:		
Common stock, without par value—		
Authorized—400,000 shares		
Issued—360,000 shares, less 90 shares in treasury ;		
stated value \$5 per share.....	1,799,550	1,799,550
Excess of amount received over stated value of common stock issued.....	595,650	595,650
Earnings retained in the business (Notes 1 & 2).....	<u>5,843,279</u>	<u>5,767,022</u>
	<u>8,238,479</u>	<u>8,162,222</u>
	<u>\$14,383,726</u>	<u>\$12,890,577</u>

CONSOLIDATED STATEMENT OF INCOME AND EARNINGS RETAINED IN THE BUSINESS

IRON FIREMAN MANUFACTURING COMPANY AND SUBSIDIARY COMPANIES

	YEAR ENDING DECEMBER 31	
	1955	1954
Net sales.....	\$25,641,509	\$26,083,733
Deduct:		
Cost of goods sold.....	20,644,944	20,764,555
Depreciation.....	405,896	332,336
Selling, administrative and general expenses.....	3,743,851	3,404,456
	<u>24,794,691</u>	<u>24,501,347</u>
	846,818	1,582,386
Other income and (expenses) net.....	(7,930)	17,479
Interest expense.....	(171,710)	(161,593)
	<u>667,178</u>	<u>1,438,272</u>
Provision for U. S. and Canadian taxes on income.....	303,000	716,000
Net income for year.....	<u>364,178</u>	<u>722,272</u>
Earnings retained in the business at beginning of year.....	5,767,022	5,260,690
	<u>6,131,200</u>	<u>5,982,962</u>
Dividends paid in cash, \$.80 and \$.60 per share respectively.....	<u>287,921</u>	<u>215,940</u>
Earnings retained in the business at end of year (Notes 1 and 2).....	<u>\$ 5,843,279</u>	<u>\$ 5,767,022</u>

ACCOUNTANTS' REPORT

TO THE BOARD OF DIRECTORS OF
IRON FIREMAN MANUFACTURING COMPANY

In our opinion, the accompanying consolidated financial statements and notes thereto present fairly the position of Iron Fireman Manufacturing Company and its subsidiary companies at December 31, 1955 and the results of their operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year. Our examination of such statements was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

PRICE WATERHOUSE & CO.



NOTES TO FINANCIAL STATEMENTS

NOTE 1: The consolidated financial statements include the accounts of the Company and its subsidiaries, all wholly owned. One of the subsidiaries is a foreign corporation (Canadian) whose net assets, expressed in United States dollars at appropriate rates of exchange, amount to \$1,211,329 at December 31, 1955. Consolidated earnings retained in the business include \$1,263,210 of undistributed earnings of the subsidiary companies, including \$1,143,752 of the Canadian subsidiary.

NOTE 2: The notes payable were issued under a loan agreement dated July 1, 1951, with an insurance company and others. The agreement provides, among other things, that the Company shall not declare any dividends if

- (a) The consolidated net working capital of the Company and its wholly-owned domestic subsidiaries would be less than \$5,000,000 or
- (b) The amount of dividends (except those payable in its capital stock) and stock acquisitions or redemptions since December 31, 1950, plus payments on principal of the notes would exceed consolidated net income of the Company and its wholly-owned domestic subsidiaries since that date plus \$750,000.

At December 31, 1955 \$1,046,982 of consolidated earnings retained in the business are free from dividend restrictions under the loan agreement.

NOTE 3: The Company is subject to renegotiation on a portion of its sales. The year 1954 has been settled without refund, and no refund is expected for the year 1955.

NOTE 4: The pension plans, including one effective May 1, 1955, generally contemplate retirement of eligible employees attaining age 65 with at least 10 years of service. Salaried employees contribute towards funding of accruals on their current services; otherwise the Company bears the cost of the plans through payments to an insurance company and a trustee at contract rates which provide for funding of current and past service costs. Liabilities under the plans are completely funded; however, the estimated unfunded past service cost to be funded upon continuation of the plans was \$835,000 at December 31, 1955. The cost of these plans for the year was \$121,667.



WAYNE E. STRONG



T. HENRY BOYD



DAVID L. DAVIES

DIRECTORS AND

FRANK S. HECOX



E. C. SAMMONS



ROY L. SHURTNEFF



OFFICERS

President and Chief Executive Officer: *Wayne F. Strong*
Vice-President and Treasurer: *Frank S. Hecox*
Vice-President: *C. T. Burg*
Vice-President: *Lewis J. Cox*
Vice-President: *William J. O'Neil*
Secretary: *C. C. Craft*
Controller: *H. J. Mack*
Assistant Secretary: *David L. Davies*
Assistant Secretary: *Frederick H. Torp*

DIRECTORS

<i>T. Henry Boyd</i>	<i>E. C. Sammons</i>
<i>David L. Davies</i>	<i>Roy L. Shurtleff</i>
<i>Frank S. Hecox</i>	<i>Wayne F. Strong</i>

VOTING TRUSTEES

<i>T. Henry Boyd</i>	<i>E. C. Sammons</i>
<i>David L. Davies</i>	<i>Roy L. Shurtleff</i>
<i>Frank S. Hecox</i>	

COUNSEL

Hart, Spencer, McCulloch, Rockwood & Davies

OFFICERS

TRANSFER AGENTS AND REGISTRARS FOR STOCK

The Bank of California, N. A., San Francisco
Wells Fargo Bank and Union Trust Company, San Francisco
Continental Illinois National Bank & Trust Company, Chicago
First National Bank, Chicago

PLANTS AND OFFICES

General Offices:

3170 West 106th Street, Cleveland, Ohio

Manufacturing Plants:

3170 West 106th St., Cleveland, Ohio	Gerber Street, Ligonier, Indiana
4784 S.E. 17th Ave., Portland, Ore.	80 Ward St., Toronto, Canada
2838 S.E. 9th Ave., Portland, Ore.	

Retail and Wholesale Offices:

356 Fourth Ave., Brooklyn, N. Y.	4629 S.E. 17th Ave., Portland, Ore.
1101 W. Adams St., Chicago, Ill.	3114 Washington Ave., St. Louis, Mo.
3170 West 106th St., Cleveland, Ohio	740 Williamson St., Madison, Wis.
4507 W. Wisconsin Ave., Milwaukee, Wis.	80 Ward St., Toronto, Canada

Regional Sales Offices:

Calhoun Bldg., Minneapolis, Minn.	Chanin Bldg., New York, N. Y.
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